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MEMORANDUM FOR CONSTANCE HORNER
                DIRECTOR

FROM: CLAUDIA COOLEY, ASSOCIATE DIRECTOR
                PERSONNEL SYSTEMS AND OVERSIGHT

SUBJECT: OPM's Research Agenda

On January 12, 1988, you sent a letter to 160 government and non-government leaders soliciting ideas on the most important questions in need of research to improve the Civil Service system in the future.

- Your letter generated nearly 1000 ideas.

- PSOG staff analyzed these, then categorized and consolidated them into a list of 450 questions.

- Using this list, we conducted 6 focus group meetings in Washington along functional lines using subject matter experts from the various subcommittees of the Interagency Advisory Group. This resulted in a core list of 75 high priority items.

- We took the core list to the five OPM regions and conducted focus group meetings using the following groups:

    o Atlanta - DoD agencies
    o Chicago - Domestic agencies
    o Dallas - Line managers, union representatives
    o Philadelphia - Personnel officers
    o San Francisco - FEB members

We asked each of these groups to identify the top 20 priority items from the core list of 75, plus any they wished to add.

    - We also conducted structured interviews with selected representatives from colleges and universities to get their ideas for the agenda.

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- Each step in the process produced results which included a mix of policy and research questions. As the focus groups attempted to establish priorities based on the criticality of issues, many of the policy issues rose to the top. As a result, the initial draft agenda prepared by PSOG staff was heavily laced with policy questions.

- We then met with national union officials and NAPA's Panel on the Public Service, and have considered their comments in preparing the final agenda. One of the consistent comments from both groups was that the agenda should deal as much as possible with research questions to provide policy makers with useful information. The final agenda reflects this guidance.

- A review of the draft Hudson Institute Report indicates three areas in need of further study. These are: developing a locality focus for personnel management, reviewing benefits, and determining how to motivate an aging, stable workforce. The research agenda we have developed is consistent with these findings.

- We also briefed the IAG Executive Committee, appropriate Congressional staff, FEB chairs and are scheduled to brief representatives of the Volcker Commission on the contents of the research agenda:

  -- The IAG Executive Committee endorsed the agenda. They indicated a willingness to contribute resources to joint research projects. They would like OPM to make more use of waivers to test alternatives to current regulations. They asked that OPM gather and disseminate information about successful and innovative agency personnel practices.

  -- The Congressional staff, namely, Andy Feinstein, suggested a few very minor additions to the agenda:

    o techniques for monitoring the quality of the Federal workforce;

    o design of a workforce planning model; and

    o effectiveness of training in meeting its stated purposes.

  -- The FEB chairs were receptive and several seemed eager to promote local projects.

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- We think the process of developing the research agenda is
  worthy to note. All participants were enthusiastic and
  expressed their appreciation for OPM's effort not only to
  develop a research agenda, but also to solicit ideas from as
  many different sources as possible. This reinforces OPM's
  role as a consensus builder, broker and leader in personnel
  management.

The process described above has resulted in the attached list of
ideas we think represents the most significant areas for research
in Federal personnel management. It represents a blend of short
term and long range issues which we feel has a positive focus for
both employees and managers--supporting the thesis that the
problems are with systems, not people. It also reflects the need
to know more about the perceptions and values of our employees
as we look for answers to key questions.

This agenda is intended to be a general framework for research.
While it is not our recommendation to establish a central
research control in OPM or a centralized research budget, we will
monitor ongoing projects (agency studies, academic dissertations,
as well as our own work) which fall within the research agenda.
For example CEG's Workforce 2000 study and our research on
locality-based pay are major steps to fulfilling the agenda.

We also must open a dialogue with all potentially interested
parties to gain their support and participation in designing and
conducting specific research projects that fit within the agenda.
We are presently reviewing OPM's data capabilities and how our
data base can be used to support research on the agenda by
providing critical information on the Federal workforce and
thereby reducing costs. Upon your approval, we will arrange to
have the agenda printed and widely distributed to the original
mailing list and to others in accordance with a public relations
strategy coordinated with the Office of Public Affairs.

Attachment

RESEARCH AGENDA

Workforce Demographics

What will be the role of the Federal Government and the nature of its work in the year 2000?

- What skills will be needed to perform that work? Will these skills be readily available? What techniques for workforce planning can produce this information? What new recruiting and training approaches could assist the Federal Government in attaining needed skills and assuring a quality workforce?

- What alternative classification and compensation systems would be simple, fair, competitive with other employers and adaptable to the nature of work and job mix of the future?

- Will the roles of managers and their proportion to employees change? What new skills will they need and what distinctive personnel policies could apply to them?

Recruitment and Retention

What factors (e.g., image, pay, benefits, hiring practices) most inhibit Federal recruitment?

How can the Federal Government fill jobs with quality people in the shortest time possible?

Does the Federal Government have a retention problem, and if so, where and why? What are the cost implications?

Compensation

What factors in the present Federal pay and benefits system allow Federal agencies to be competitive with private sector organizations? What factors cause them to be noncompetitive? What alternative approaches might be effective in redressing imbalances?

What benefits do employees perceive as the most valuable to them? Do these perceptions change during their career? What additional benefit options do they want, and what choices will they make?

Performance Management

When do employees believe rewards are warranted? What do they most value as an incentive? What process for giving awards do they perceive as most fair?

What are the common characteristics of organizations with highly effective individual appraisal and awards systems? With group performance and awards systems? Under what conditions are these systems transferable to other organizations?

To what extent do supervisors fail to address performance problems and take justifiable corrective action? Why?

Diversity

To what degree do the differences in organizational cultures, missions and locations within the government suggest customized personnel systems, and how much deregulation, delegation and decentralization is optimal?

Training and Development

What return on investment does the Government receive for its training dollars? Are training purposes met?

Participation

How important is participation to employees? To what extent and over what matters do employees desire participation? What factors inhibit employee participation and labor-management cooperation?